

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**UNITED STATES OF AMERICA,**

*Plaintiff,*

*—against—*

**WILLIAM J. PEPER, III, NANCY PEPER-  
ARMANO, MANUFACTURERS AND TRADERS  
TRUST COMPANY, ABL PROPERTIES, INC., NEW  
YORK STATE TAX COMMISSION, FLEET  
NATIONAL BANK and JOHN DOES NOS. 1-10**

*Defendants.*

07 CIV 9835  
(SCR)

ECF Case

**ANSWER**

Defendant, Manufacturers and Traders Trust Company (“M&T”), by its attorneys, Hodgson Russ LLP, answers the allegations set forth in the Complaint of plaintiff, United States of America (“USA”) as follows:

1. Paragraph 1 of the Complaint contains an informative statement to which no response is required; however, to the extent that the allegations contained in Paragraph 1 of the Complaint call for M&T to answer, M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraph 1 of the Complaint.

2. M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraph 2 of the verified Complaint.

3. Paragraph 3 of the Complaint contains a legal statement to which no response is required; however, to the extent that the allegations contained in Paragraph 3 of the Complaint call for M&T to answer, M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraph 3 of the Complaint.

4. Paragraph 4 of the Complaint contains a legal statement to which no response is required; however, to the extent that the allegations contained in Paragraph 4 of the Complaint call for M&T to answer, M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraph 4 of the Complaint.

5. M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraphs 5 and 6 of the Complaint.

6. M&T admits the allegations contained in Paragraph 7 of the Complaint.

7. M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraphs 8 through 11; 13 through 18; and 20 through 23 of the Complaint.

8. M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraph 24 of the Complaint and further states that no such exhibit was attached to the Complaint served on M&T.

9. M&T denies having knowledge or information sufficient to form a belief with respect to the allegations contained in Paragraph 25 through 28 of the Complaint.

10. With respect to the allegations contained in Paragraphs 12 and 19 of the Complaint, M&T admits such allegations as are elsewhere admitted, denies having knowledge or information sufficient to form a belief with respect to those allegations as are elsewhere herein similarly treated and denies such allegations as are elsewhere herein denied

11. M&T denies each and every allegation of the Complaint not heretofore specifically admitted or denied.

**AS AND FOR A FIRST AFFIRMATIVE DEFENSE**

12. Any interests of plaintiff and all defendants in the Premises, if any, are subject and subordinate to the interest of M&T as the holder of a first mortgage, assignment of rents and security interest thereon and therein.

**AS AND FOR A SECOND AFFIRMATIVE DEFENSE**

13. Some or all of the Complaint fails to state a claim against M&T upon which relief can be granted.

**RESERVATION OF RIGHTS**

14. M&T reserves and does not waive any additional rights and/or further defenses and claims it has or that may arise hereafter during the course of discover exchanged in this litigation

**WHEREFORE**, defendant M&T demands judgment:

1. Dismissing the Complaint in its entirety together with the costs of this action; or
2. In the alternative, if the Premises be sold, that all sale proceeds there from be paid first to M&T to the extent necessary to satisfy M&T's mortgage in full; and
3. For such other and further relief as this Court deems appropriate.

Dated: December 31, 2007  
New York, New York

*s/S. Robert Schrager*  
S. Robert Schrager (SRS 0952)  
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TO:

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